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MICHIGAN HOUSE OF REPRESENTATIVES

**JOAN BAUER**  
STATE REPRESENTATIVE

February 7, 2007


Dear Chairman Bieda and Members of the Tax Policy Committee:

Thank you for agreeing to consider my bill, House Bill 4120, which would allow cities that have their own income taxes to create check-offs to collect funds for special projects. As you know, both the state and local governments are facing increasingly difficult fiscal situations. Revenue growth has lagged due to the struggling economy, but demand for public services continues to increase. Cities have been looking for creative new ways to fund and deliver important public services.

One option that has already been used at the federal and state levels is the income tax check-off. With a check-off, taxpayers can donate all or a portion of their tax refunds to a specific fund. Many of you may be familiar with the success of the check-off on the Michigan income tax form for the Children's Trust Fund, which helps prevent child abuse and neglect.

House Bill 4120 would simply give cities that levy their own income taxes the flexibility to create their own check-off programs. Of course, it would be completely optional both for cities to create a check-off and for taxpayers to donate. Again, I thank you for considering this bill and I would welcome your support.

Respectfully,

  
Joan Bauer  
State Representative  
68<sup>th</sup> District

JB/mc